

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-06 NEA-06 ISO-00 FEA-01 AEC-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01

H-01 INR-05 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03

RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-01 /092 W

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R 180800Z DEC 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 9605

INFO AMEMBASSY LONDON

AMEMBASSY BRUSSELS

AMCONSUL DHAHRAN

AMEMBASSY PARIS

AMEMBASSY TOKYO

C O N F I D E N T I A L JIDDA 7401

E.O.: 11652: GDS

TAGS: EFIN, SA, US

SUBJ: IMF OIL FACILITY: SAUDI REACTION TO U.S. & UK PROPOSALS

BEGIN SUMMARY: DESPITE ARGUMENTATION FURNISHED HEAD OF CENTRAL BANK, IT SEEMS LIKELY THAT SAUDI ARABIA WILL CHOOSE TO SUPPORT THE HEALEY WITTEVEEN PROPOSAL FOR RECYCLING AND FINANCIAL NEEDS OF OIL IMPORTING NATIONS IN 1975. EMB NEEDS CONTINUING INFO ON OUR OWN PROPOSALS. END SUMMARY.

1. EMBASSY TOOK ADVANTAGE OF VISIT OF A SENIOR TREASURY OFFICIAL TO MAKE PRESENTATION OF U.S. VIEWS ON MULTILATERAL FINANCING NEEDS IN 1975 AS PRESENTED BY THE EXECUTIVE DIRECTOR OF THE IMF ON DEC 6. PRESENTATION WAS MADE DEC 11 AND ELICITED FURTHER COMMENTS ON DEC 12 FROM GOVERNOR AL QURAISHI. HIS ONLY SUB-  
STATIVE COMMENT WAS THE U.S. PROPOSALS SEEM TO REQUIRE A CONSIDERABLE AMOUNT OF FINANCING. TREASURY OFFICIAL NOTED THAT  
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OUR PHILOSOPHY WAS AIMED AT ENCOURAGING COUNTRIES IN DEFICIT

TO TAKE AS MANY MEASURES AS THEY COULD BEFORE SEEKING ADDITIONAL FACILITIES FOR FINANCING OIL IMPORTS. IT WOULD BE BETTER IF SUCH FACILITIES WERE NOT TOO READILY AVAILABLE.

2. GOVERNOR QURAISHI DID NOT HAVE AN OPPORTUNITY TO MAKE ANY FURTHER COMMENT BUT HE OBVIOUSLY WILL BE BRIEFING OTHER MEMBERS OF THE GOVERNMENT CONCERNING U.S. VIEWS. TEXTS OF THE EXECUTIVE DIRECTOR'S PRESENTATION OF DEC 6 WERE LEFT WITH HIM, IN ENGLISH ONLY, BUT AN ATTEMPT WILL BE MADE TO GET THE VIEWS BEFORE THE MINISTER OF FINANCE IN ARABIC IN SUMMARY FORM BEFORE THE ID.

3. UK SOURCES REPORT THAT CHANCELLOR OF EXCHEQUER DENNIS HEALEY RECEIVED SYMPATHETIC AUDIENCE FROM GOVERNOR AL QURAISHI, MINISTER OF FINANCE MU'SAD, AND MINISTER OF STATE FOR FINANCE ABA AL KHAYL DURING HIS VISIT OF DEC 11. SPECIFICALLY, FAVORABLE COMMENTS WERE MADE CONCERNING THE HEALEY/WITTEVEEN PROPOSALS IN COMPARISON TO THE AMERICAN PROPOSAL AS THE MAIN SYSTEM OF RE-CYCLING. NO DETAILS AVAILABLE. LONDON MAY WISH TO FOLLOW UP.

4. IT IS OUR ASSESSMENT THAT SAUDI ARABIA IS NOT YET FULLY COMMITTED TO ANY OF THE PROPOSALS AND WOULD BE SUBJECT OR PERSUASION IN REGARD TO OUR SAFETY NET. EXCELLENT PRESENTATION BY IMF EXECUTIVE DIRECTOR SHOULD BE FOLLOWED UP BY FURTHER ARGUMENTS IN EARLY JANUARY. GOVERNOR AL QURAISHI HAS ALL BUT DESIGNATED DEPUTY GOVERNOR KHALID AL GOSAYBI TO ATTEND THE MEETING OF THE COMMITTEE OF 20 IN MID JANUARY. THIS WILL BE THE DEPUTY GOVERNOR'S FIRST VISIT OUTSIDE SINCE BEING NAMED OVER A YEAR AGO. ACTION REQUESTED: THAT THE EMBASSY BE KEPT FULLY INFORMED ABOUT THE NEGOTIATION WITH THE EEC AND THE IMF CONCERNING RECYCLING, TRUST FUND FOR THE POOR, DEVELOPING NATIONS, AND SUPPLEMENTARY FACILITIES, BOTH IN THE EEC AND THE IMF.

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## Message Attributes

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**TAGS:** EFIN, SA, US, IMF  
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